

# Enterprise Tax Accounting and Tax Risk Management Research

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**Abstract:** The tax-related issues of corporate business activities require corporate finance to conduct tax risk management. The specific work includes tax planning, tax accounting and tax declaration. Based on this, this paper first explains the concepts of tax accounting, tax risk and tax risk management, then describes the characteristics of tax risk, then analyzes the problems existing in enterprise tax risk management, and finally expounds the tax risk management strategy of enterprise tax accounting.

**Keywords:** Enterprise; Tax Accounting; Tax Risk Management

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## Introduction

For tax risk, it usually comes from two aspects. On the one hand, the taxation behavior of enterprises does not comply with tax laws and regulations and fails to pay due taxes in a timely manner, which leads to taxpayers facing additional late payment fees and fines. On the other hand, taxpayers' business activities are inaccurate in the use of tax laws and regulations, and they do not fully enjoy relevant preferential policies, thus paying more unnecessary taxes and bearing additional tax burdens. As a business, you must focus on both, and if not managed properly, you can suffer catastrophic losses due to limited economic resources and poor management. In enterprise tax risk control, tax accounting plays a key role. Based on this, it is necessary for enterprises to study the key work content of tax accounting based on the current tax work, and propose corresponding risk prevention strategies, so as to avoid financial risks of enterprises and improve enterprises. Comprehensive financial management capabilities.

## 1. Definition of related concepts

### 1.1 Tax accounting

Tax accounting is mainly the expansion and extension of management accounting and financial accounting. Affected by a variety of factors, tax accounting in most companies in our country has not been separated from financial and management accounting, and lacks a certain degree of independence. Financial accounting mainly takes accounting as the core principle and the accounting method as the basis to truly and accurately reflect the specific situation of each management practice activity, and at the same time to ensure that taxpayers can declare and pay the corresponding taxes in a timely manner. The basic function of tax accounting is to make reasonable tax work planning and risk management according to the business activities of the enterprise, to reflect the specific situation of tax payment and declaration, and to continuously increase the intensity of tax management. Supervise the taxpayer's tax obligations and the actual situation of the payment amount, carry out tax planning in accordance with the requirements of relevant laws and regulations in our country, and arrange various activities such as investment and profit carry-over of relevant companies, and do a good job in different tax types during the operation period of the enterprise. Handling work, promoting Chinese enterprises to implement relevant tax policies, formulating reasonable and scientific planning plans, preventing tax risks and optimizing tax plans.

### 1.2 Tax risk

From the enterprise level, if the enterprise fails to perform the relevant tax obligations according to the law, or due to its misunderstanding, there is a wrong tax payment behavior, thus causing certain economic losses, it can be understood that this situation will generate tax risks. At the same time, the risk has the characteristics of variability. Tax risk is generally divided

into two situations, one is external tax risk, and the other is internal tax risk. The former is mainly caused by changes in the external environment and policies and systems; the latter is caused by internal factors of the enterprise, such as poor management and weak risk awareness, which can lead to greater tax risks for enterprises.

### 1.3 Tax risk management

Enterprise tax risk management is usually divided into two aspects: tax practice risk management and tax-related activity risk management. Among the various business risks existing in Chinese enterprises, tax-related risks are called tax risks. For the management of this kind of risk, enterprises need to focus on the changing factors in the process of operation and management, try their best to eliminate these factors, and further ensure that the risk management work can be carried out reasonably and smoothly. Enterprises also need to use their own actual operation and management as a reference to accurately identify tax risks, trace tax risks, and respond in a timely and effective manner. Effective tax risk management can promote enterprises to optimize management systems and ensure sustainable and powerful development and progress of enterprises. .

## 2. The characteristics of tax risk

### 2.1 Damage

When tax risks are exposed in the business operation process, it will affect the economic benefits of the enterprise to a certain extent, affect the stable and continuous operation and production work, and even have a certain impact on the reputation and image of the enterprise itself. Affect the normal operation and development of enterprises.

### 2.2 Potential

If an enterprise commits tax violations in the process of paying taxes and is not discovered by the relevant tax authorities for the time being, or the enterprise uses relevant means to temporarily cover up the illegal facts, there may be no adverse consequences for the enterprise in the short term, but it is beneficial to the enterprise. There are hidden dangers in future operations, which shows that tax risks have certain potential.

### 2.3 Variability

Tax laws and policies will be continuously adjusted according to changes in our country's economic and social development background. Various notices and announcements, detailed implementation rules, preferential measures and other relevant tax documents will be constantly updated. Enterprise tax risk management also needs to keep pace with policy changes. This makes enterprises need to maintain sensitivity to changes in our country's relevant tax policies, actively learn relevant policies, and ensure that enterprise tax risk management can keep pace with the times.

### 2.4 Measurability

Through systematic management and effective methods, we can further evaluate and measure whether the enterprise has tax risks. We can comprehensively analyze the tax risks and the estimated costs according to the problems arising in the process of enterprise tax risk management and the degree of damage caused by the tax risks to the company. costs and take relevant measures to deal with them. Therefore, tax risk is measurable.

### 2.5 Controllability

Since tax risks are measurable, even in the case of corporate tax risks changing and for various reasons, corresponding effective and planned response and control measures can still be taken according to the measurement results. Therefore, the enterprise can realize the control of tax risk.

## 3. Reasons for the occurrence of corporate tax risks

### 3.1 Subjective reasons

On the one hand, enterprises have not established a correct tax management concept, have not clearly recognized the importance of tax risk management, and have little awareness of taxation. On the other hand, the internal management mechanism of many enterprises is not perfect, and it is difficult to effectively control the company's global business activities.

In addition, professionals lack professional quality, do not have comprehensive professional knowledge of finance and taxation, and cannot accurately understand the national tax legislation system and the latest tax policies, resulting in companies facing different levels of tax risks.

### **3.2 Objective reasons**

There are certain loopholes and defects in our country's tax system, and some enterprises use these loopholes to evade tax and engage in other illegal activities. At the same time, the applicability of laws to tax law enforcement agencies is not enough, many legal provisions have not been effectively implemented in the operation of companies, and some companies have cooperated with relevant law enforcement personnel to achieve the purpose of tax evasion. In addition, our country's tax policy is constantly adjusted according to economic development and changes in the internal and external environment of the market, and it is inevitable to have certain weak links.

## **4. Problems existing in enterprise tax risk management**

### **4.1 The risk response mechanism is not perfect**

Many enterprises in our country lack a sound risk management mechanism. In the various links such as internal procurement and production, they have not formulated relevant tax risk control systems reasonably and scientifically. It does not pay attention to the tax issues involved in procurement and production and other related links. When the tax risk occurs, the financial department just looks for the problem of accounting treatment, lacks an overall effective tax risk response mechanism, cannot integrate all the links in the production and operation process, and cannot effectively formulate an overall response plan. Measures to control tax-related risks in a timely and comprehensive manner.

### **4.2 Managers' awareness of risk management is not strong**

Most enterprises in our country are facing fierce competition in the industry. In order to obtain more benefits from them, they pay more attention to the control of costs and profits in the process of formulating the company's development strategy. Managers are also negligent in managing tax-related businesses in a standardized manner, let alone create a special tax-related management department based on their own actual operations, and lack certain management systems, such as tax risk management performance evaluation systems, and related policies to avoid tax risks, etc. In terms of financial data, relevant managers have focused on financial indicator results and statement analysis. In terms of the effect of tax risk management, the management of the enterprise only pays attention to whether the tax calculation and tax policy understanding are wrong, and the understanding of tax risk management is separated from the internal business process. In addition, the weak awareness of risk will lead to the habit of breaking laws and regulations for a long time. Some accountants cannot change their consciousness and concepts, and it is difficult to deal with the company's tax risks.

To sum up, there are many tax risk management problems in Chinese enterprises, including the imperfect risk response mechanism and the weak risk management awareness of managers. Based on this, enterprises need to seriously consider the reasons for the existence of tax risks. Carry out analysis, fully combine the actual operation of the enterprise, optimize and improve the tax risk-related countermeasures, minimize the impact of tax risk on the development of the enterprise, and lay a good foundation for sustainable development.

## **References**

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